RAJYA SABHA

Tuesday, the 22nd July, 1986/31 Asadha, 1908 (Saka)

The House met at eleven of the clock,

Mr. Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

Cotton destroyed by fire in Andhra Pradesh

*61. PROF. C. LAKSHMANNA: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that huge stocks of cotton belonging to the Cotton Corporation of India and two private companies and also property worth crores of rupees were destroyed in a major fire at Pulladigunta near Guntur town of Andhra Pradesh on that 10th June, 1986; and

(b) if so, what were the causes of the fire and what are the details of the loss of cotton and property as a result thereof?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN): (a) and (b) A Statement is laid on the Table of the House.

Statement

(a) and (b) There was a fire at M/s. Seshadri Cotton Ginning and Pressing Factory, Pulladigunta on the 10th June, 1986. The factory was hired by Cotton Corporation of India for processing its stocks and worth Rs. 77.5 lakhs approximately, prored stocks of Cotton Corporation of India worth Rs. 77.5 lakhs approximately, property and goods worth about Rs. 1 crore belonging to private parties including the owner of the factory are reported to have been destroyed. The cause of the fire is under investigation.

PROF C. LAKSHMANNA: Mr. Chairman, Sir, the fire took place on the 10th June, 1986 and there has been a loss of Rs. 77.5 lakhs worth of goods for the Cotton Corporation of India. It is also stated that approximately Rs. 1 crore has been the loss of the private parties. And it is also stated that most of these have been covered by insurance. I would like to know from the hon. Minister whether any cause *prima facie* could be established or is there some foul play in this.

SHRI KHURSHID ALAM KHAN: Sir, the departmental enquiry which was conducted by one of the Directors of the Corporation failed to establish some definite causes and, therefore, I decided to hand over the case to the CBI, and the CBI are investigating into it.

PROF. C. LAKSHMANNA: Sir, as in the case of this particular incident and also in some of the other deals, there have been increasing number of involvements on the part of some companies or the other. In view of this, what specific steps will be taken by the Government of India to prevent the abuse of such facility by these parties?

SHRI KHURSHID ALAM KHAN: Sir, everything possible is done to ensure that no such practices are allowed to continue. I will be obliged to the hon. Member that if he has got any particular information he could pass it on and we will look into it.

MR. CHAIRMAN: Question No. 62.

Loans given to the Reliance Textile Industries by the Nationalised Banks

*62. DR. (SHRIMATI) SAROJINI MAHISHI:†

SHRI VIRENDRA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that over Rs. 100 crores were loaned by the nationalised banks to Reliance Textile Industries in complete violation of the banking norms and in defiance of the directions of the Board of Directors of the banks;

(b) if so, what are the details thereof; and

(c) whether Government have made any inquiry into the advances made by

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†The question was actually asked on the floor of the House by Dr. (Shrimati) Sarojini Mahishi.